



Iowa WIC Program Vendor Agreement

October 1, 2015 – September 30, 2018

Iowa Department of Public Health
Bureau of Nutrition & Health Promotion
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Des Moines, Iowa 50319-0075
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Promoting and Protecting the Health of Iowans

WIC Vendor Instructions and Agreement Booklet

Overview

Purpose and definitions

All of the information in this booklet is incorporated by reference as a part of the WIC Vendor Agreement.

Throughout these instructions and the agreement “Department” refers to the Iowa Department of Public Health, Bureau of Nutrition & Health Promotion.

In this booklet

This booklet contains the following information.

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USDA Non-Discrimination Statement

USDA non-discrimination statement

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, sex, disability, age, or reprisal or retaliation for prior civil rights activity in any program or activity conducted or funded by USDA.

Persons with disabilities who require alternative means of communication for program information (e.g. Braille, large print, audiotope, American Sign Language, etc.), should contact the Agency (State or local) where they applied for benefits. Individuals who are deaf, hard of hearing or have speech disabilities may contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program complaint of discrimination, complete the [USDA Program Discrimination Complaint Form](#), (AD-3027) found online at: http://www.ascr.usda.gov/complaint_filing_cust.html, and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

- (1) Mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;
- (2) Fax: (202) 690-7442; or
- (3) Email: program.intake@usda.gov.

This institution is an equal opportunity provider.

Vendor Training and Reporting Requirements

Training

A representative of the Department must train store associates who will be handling WIC food instruments or have been designated as store trainers.

Retail vendors play a vital role in the correct operation of the food delivery system. Vendors shall complete training in program policies and procedures at the on-site review prior to becoming an authorized vendor and shall be responsible for training all store associates who will be handling WIC food instruments. The manager and person responsible for training of store associates must allow time at this visit for training; the agreement will not be signed until training is completed. Vendors shall be responsible for all actions of their storeowners, officers, managers, agents, and employees in conducting WIC transactions.

Training materials

Training materials are available from the Department. A PowerPoint presentation on a CD will be issued to vendors. This must be reviewed and shown to all employees as part of their orientation. Vendors must attend a face-to-face WIC training session provided by the Department once every three years.

Authorizing permission

By signing a Vendor Agreement, you are authorizing the Department or contract agency to test your associates' level of understanding of program regulations by conducting Educational Buys or Compliance Buys. The procedure for these is discussed in the section, "State Agency Responsibilities."

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Vendor Training and Reporting Requirements, Continued

Price Assessment Reports

A Price Assessment Report (PAR) must be completed at the time the completed vendor application is submitted and when requested by the Department. Random PARS are completed as needed to keep NTEs in line with competitive price changes; however PARS are completed at least every six months. Information obtained from the PAR is used by the Department to estimate food cost obligations and to screen redeemed food instruments. The PAR is mailed to you and must be returned within 10 days of receipt. Failure to return the required Price Assessment Reports could result in suspension from the program.

Regulations for WIC Service Marks

Overview	There are state and federal regulations with regard to the use of WIC service marks.
Purpose and definitions	WIC service marks include the WIC acronym and WIC logo. Following these regulations protect against infringement of the service marks.
Service mark regulations	<p>Federal and state regulations about WIC service marks include the following:</p> <ul style="list-style-type: none">• Vendors are not permitted to use the WIC service marks, or close facsimiles, in the name of the business.• Vendors are restricted from using the WIC service marks in their advertising and other promotional material.• Vendors are restricted from developing and using promotional materials, including channel strips or shelf talkers, with the WIC service mark, to identify WIC approved foods.• Vendors may not apply stickers, tags, or labels that have the WIC service mark on WIC-approved foods.• Vendors are only permitted to use the State WIC Vendor Identification decals provided (grocery vendors = blue decal, special purpose vendors = orange decal) to indicate the store is an authorized WIC vendor.• Vendors may identify individual stores as WIC authorized by using the WIC acronym on the vendor's website provided that the website does not falsely identify stores.• Vendors may use the WIC acronym in the same size and proportion as other accepted tender depictions in tender type signs at the point of sale provided that the WIC acronym is used only in WIC authorized stores.

Regulations for WIC Transactions

Overview	<p>When handling WIC food instruments, there are federal and state regulations that every vendor must follow. These regulations are outlined in this booklet. Each time a vendor accepts a WIC food instrument, the vendor certifies that the program regulations were followed in that transaction. Any vendor that accepts WIC food instruments in accordance with the program regulations is guaranteed payment. Failure to adhere to these regulations could result in a vendor's suspension from participation in this program.</p> <p>The WIC vendor's cooperation is essential to the WIC Program. It is the vendor's responsibility to ensure that this information is clearly understood by all store associates who will be involved in WIC transactions.</p>
Redemption in Iowa only	<p>Iowa WIC food instruments may be redeemed at any Iowa authorized WIC vendor. Grocery vendors may redeem food instruments for food and formula. Special purpose vendors may only redeem food instruments for formula.</p>
WIC participant education	<p>Before receiving his/her food instruments, each WIC participant receives detailed instructions on how to use the food instruments. In addition, WIC participants are advised to inform vendors at the checkout counter that they are using WIC food instruments. Most WIC participants should have no problem using their food instruments. However, on occasion it may be necessary for store associates to assist some participants in completing their food instruments correctly.</p>
Identification	<p>Individuals using the eWIC card will be using a Personal Identification Number (PIN) at checkout. No other identification may be required of a WIC participant.</p>

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Regulations for WIC Transactions, Continued

What can be purchased

Only the food items and quantities on the eWIC card may be purchased. WIC participants must receive the food item that corresponds specifically to the UPC code scanned by the vendor during the transaction. A participant cannot buy more than the total quantity of food on their eWIC card and that appears on their eWIC Receipt. Where brand names are specified, only those brands can be purchased. A Cash Value Benefit (CVB) is issued to some WIC participants for the purchase of fruits and vegetables. The WIC participant may purchase fresh and /or frozen fruits and vegetables meeting WIC guidelines. The dollar value of the CVBs varies based on the value of benefits the participant is authorized to receive. WIC participants are permitted to use vendor and manufacturers coupons and buy-one-get-one promotions to purchase WIC foods. Vendors are allowed to use incentive items that are:

- Merchandise obtained at no cost to the vendor and provided to participants without charge,
- Food of \$1.99 or less and merchandise of nominal value,
- Food sales or specials which involve no cost or only a nominal value for the vendor regarding the food items involved, and
- Do not result in a charge to a WIC food instrument for foods in excess of the foods that were issued.

The credit due from any promotion is to be deducted from the WIC purchase.

Nominal value

Nominal value is defined as value equal to or less than \$1.99.

Not allowed substitutions

Vendor shall not allow substitutions, cash, credit, refunds, or exchanges.

New products

To request a specific product to be added to the Iowa WIC Approved Product List (APL), complete the Iowa WIC UPC Submission form found at: <http://idph.iowa.gov/wic/ewic-vendors>. Your request will be reviewed and if the product is approved, it will be added to the APL.

First and Last Valid Day of Use

Participant benefits will start on the first of each month and end the last day of each month. Any transactions occurring on the last day of the month must be complete by midnight (Central Standard Time – CST).

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Regulations for WIC Transactions, Continued

Vendor

Identification

The vendor identification is programmed for each individual store and resides within the Point of Sale (POS) system.

Completing eWIC transactions

Stand Beside eWIC Transactions

- Follow the instructions found in the Point of Sale (POS) manual.

Integrated eWIC Transactions

- The POS system will confirm that the foods purchased are WIC eligible.

Stand Beside and Integrated eWIC Transactions

The following steps occur for both stand beside and integrated eWIC transactions:

- 1) Participants enter their PIN. Vendors shall not request the participant's PIN, nor should they enter the PIN for them.
- 2) The transaction is conducted. For Cash Value Benefits (CVBs), accept alternative forms of payment if the value of the transaction exceeds the value of the CVB. Do not provide cash back or credit (IOU) to participants if the value of the transaction is less than the value of the CVB.
- 3) Print the participant's eWIC receipt.
- 4) Payment will be dependent on a benefit inquiry that the system:
 - a. Validates the benefit month
 - b. Validates benefits to be redeemed

Notes:

- The vendor is prohibited from scanning any UPC code that is not affixed to the actual item being purchased by the WIC participant, or any UPC code as a substitute, replacement, or otherwise not actually affixed to the actual item being purchased by the WIC participant.
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Regulations for WIC Transactions, Continued

Completing eWIC transactions, continued

- A vendor must accept an alternative form of payment in conjunction with a WIC CVB transaction only. Because a WIC food instrument is good only for the actual cost of the authorized foods, change or credit is never to be given to the participant following redemption of a WIC food instrument. Foods purchased with WIC food instruments are not to be returned for cash or credit toward other purchases. Print WIC on all WIC receipts to avoid any confusion. WIC food instruments can never be exchanged for cash.

Payment of food instruments

Transactions will be either processed through FIS Government Solutions or a Third Party Processor (TPP). Vendors will have a contract with either FIS or a TPP. The Department will not be a party of the lease agreement.

A vendor will receive payment within 48 hours only if the food instrument is properly completed. A food instrument will not be honored by the state's bank if:

- The maximum amount allowed is exceeded,
- The transaction is manipulated,
- Is used by a State agency outside of Iowa

The vendor has the responsibility to review the claims processing results that returns from the eWIC processor.

If a food instrument has been rejected by the state's bank, call the Vendor IVR line. Information regarding the Vendor IVR line is provided by the State WIC office.

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Regulations for WIC Transactions, Continued

Price adjustment

The Iowa WIC Program reviews all redeemed food instruments to ensure that prices charged to WIC participants are the same as, or lower than, prices charged to non-WIC participants for the same items. If a food instrument exceeds its state wide peer group value by a certain percentage, the food instrument is returned to the vendor. The vendor is expected to reimburse the Department for the difference between the state wide peer group average and the redeemed value.

If a food instrument has been rejected by the state's bank, call the Vendor IVR line that will be provided by the State WIC office.

Non-discrimination

Vendors may not refuse to accept a properly presented WIC food instrument from any participant. The vendor must comply with the nondiscrimination provisions of Departmental regulations 7CFR parts 15, 15a and 15b.

Incentives

According to Section 246.12(h)(3)(iii) of the Federal WIC regulations requires that vendors must offer WIC participants the same courtesies that are offered to non-WIC customers. A WIC authorized vendor may not treat WIC customers differently by offering incentive items that are not offered to non-WIC customers. This is a violation of Federal WIC regulations and will result in a vendor violation.

Program violations

The Iowa Department of Public Health will notify vendors who violate the WIC Program regulations in writing. A description of sanctions for program violations is found in this booklet.

Department and Local WIC Agency Responsibilities

Local WIC agency responsibilities

The local WIC agency is responsible for each of the following:

- Instructing program participants on the proper use of WIC food instruments,
 - Applying appropriate sanctions to participants in accordance with an established schedule of program violations,
 - Contacting participants if needed to resolve issues between vendor and participant, and
 - Monitoring of vendors.
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Department responsibilities

The Department is responsible for each of the following:

- Training all vendors,
 - Follow-up on all questions and complaints from vendors,
 - Follow-up on all questions and complaints from participants,
 - Communicating changes in program policies, and
 - Monitoring of vendors.
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Vendor monitoring

The Department determines when vendors will be monitored. The Department or designated contract agency staff will conduct an on-site monitoring visit to each authorized vendor. Monitoring visits may include any or all of the following:

- An “educational buy” in which local WIC agency or Department staff attempt to purchase unauthorized food items,
 - Review of inventory levels prior to renewing a vendor agreement,
 - Compliance buys, or
 - Compliance investigations.
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Educational buys

If during an educational buy non-compliance with program regulations is discovered, the store owner/manager must comply with the appropriate corrective action plan to prevent future non-compliance. WIC staff may make return visits to any vendor that fails a monitoring visit. If applicable, the Department shall apply sanctions in accordance with the schedule of program violations are found in this booklet.

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Sanctions for Program Violations

Overview	<p>There are five types of sanctions that may be applied to vendors for violations of program regulations. These sanctions are:</p> <ul style="list-style-type: none">• Nonpayment of food instruments• Issuance of violation points• Temporary disqualifications (One year, Three years, Six years)• Permanent disqualification• Civil money penalties <p>State agency sanctions are based on a pattern of violative incidences. Violation points will be issued after two of the same violations.</p> <p>Vendors who are disqualified from participation in, or have a civil monetary penalty imposed by the Food Assistance (Supplemental Nutrition Assistance Program - SNAP) shall be automatically suspended from the WIC Program.</p>
Nonpayment of food instruments	<p>If the vendor has been terminated from the WIC Program and submits a claim, it will be fully denied.</p>
Issuance of violation points	<p>Administrative and procedural violations of the WIC Vendor Agreement are not usually representative of intentional efforts to abuse or defraud the program or its participants. However, these violations are an indication of a vendor's inattention to or disregard of the requirements of the WIC Vendor Agreement. It is in the Department's interest to record these violations and take them into account when considering whether to continue its contractual relationship with the vendor. Any vendor who has been assessed more than 60 violation points during a contract period may not be offered a new contract.</p>
Notice of sanctions	<p>The State agency must notify a vendor in writing when an investigation reveals an initial incidence of a violation for which a pattern of incidences must be established in order to impose a sanction, before another such incidence is documented, unless the State agency determines that notifying the vendor would compromise an investigation.</p> <p>Vendors will receive a warning prior to imposing any federally mandated sanctions that require a pattern. Vendors will receive a warning prior to imposing any state agency sanctions.</p>

Sanctions for Program Violations, Continued

Violation points The assignment of violation points does not limit the Department's right to impose more severe penalties and sanctions in cases in which there is evidence of an intentional or systematic practice of abusing or defrauding the Iowa WIC Program. The following table lists the vendor violations and the points assigned for each event.

	Violation	Points Per Event
1.	Refusal to accept valid WIC food instruments from participants.	10
2.	Discriminatory treatment of WIC participants and treating WIC participants differently, such as requiring WIC participants to use special checkout lanes, provide extra identification, and disallowing the use of coupons, or other vendor discounts in WIC transactions that are allowed in non-WIC transactions.	10
3.	Providing to WIC participants incentive items not prior authorized by the department.	10
4.	Failure to carry out corrective action plan developed as a result of monitoring visit.	10
5.	Failure to reimburse department for potentially overpaid food instrument or provide reasonable explanation for the cost of the food instrument.	5
6.	Accepting the return of food purchased with WIC food instruments for cash or credit toward other purchases.	10
7.	Issuing "rain checks" or credit in exchange for WIC food instruments.	10
8.	Stocking out-of-date, stale, or moldy WIC foods.	10
9.	Failure to submit vendor price assessment reports as requested.	10
10.	For vendors that have special WIC prices, failure to post WIC prices on the shelf or on the package.	15
11.	Contacting WIC participants in an attempt to recover funds not paid by WIC.	15
12.	Providing false information on the price assessment report.	15
13.	Failure to train all employees and ensure their knowledge regarding WIC program procedures set forth in the vendor's current agreement and in the current publication of the Iowa WIC program's vendor instruction booklet.	10
14.	Requiring WIC participants to purchase a particular brand when other WIC approved brands are available.	10
15.	Not allowing WIC participants to use discount coupons or promotional special to reduce the WIC food instrument amount.	10
16.	Requiring other cash purchases to redeem WIC food instruments.	15
17.	Failure to allow purchase of up to the full amount of WIC foods authorized on the food instrument if such foods are available and desired by the WIC participant.	20
18.	Failure to obtain infant and/or special needs formula from an approved source listed by the State WIC program.	15
19.	Offering incentive items with a value more than \$1.99.	15
20.	Developing and using promotional materials, including stickers, tags, labels, or channel strips with the WIC service mark to identify WIC approved foods.	5
21.	Developing and using store created WIC vendor identification decals to indicate store is an authorized vendor.	5
22.	Treating WIC customers differently by offering them incentive items, vendor discounts, coupons or other promotions that are not offered to non-WIC Customers.	10
23.	Scanning any UPC code that is not affixed to the actual item being purchased by the WIC participant.	20
24.	Requiring to enter the PIN for the participant and/or asking for the participant's PIN	10
25.	Knowingly entering false information or altering information on the eWIC receipt/benefits.	10
26.	Failure to allow WIC participants to leave the store with WIC foods that were debited/removed from their eWIC card during a WIC transaction.	5
27.	Failure to post eWIC signs in the cash register lane that has a working WIC terminal if the vendor is not integrated	5
28.	Failure to provide store ECR system participant receipts to WIC participants during each WIC transaction.	5

Sanctions for Program Violations, Continued

One-year disqualification

With an administrative finding of the following pattern of sanctions, the vendor will be disqualified for one year.

Federally Mandated Sanction

1. A pattern of allowing purchase of non-approved food items in exchange for WIC food instrument or for foods provided in excess of those listed on the WIC food instrument

State Agency Sanctions

2. Accumulation of 45 or more administrative and procedural violation points within a single federal fiscal year or 60 violation points within the previous agreement period.
 3. Failure to provide access to store premises or in any manner to hinder, impede or misinform authorized WIC personnel in the act of conducting an on-site education, monitoring or investigation visit.
 4. Loss of Iowa Department of Inspections and Appeals license.
 5. Submitting for payment a WIC food instrument redeemed by another authorized vendor.
 6. Threatening or verbally abusing WIC participants or authorized WIC program personnel in the conduct of legitimate WIC program transactions.
 7. Submission for payment of WIC food instruments known by the vendor to have been lost or stolen.
 8. Participating with other individuals including but not limited to WIC employees, vendors, and participants, in systematic efforts to submit false claims for reimbursement of improper WIC food instrument.
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Three-year disqualification

With an administrative finding of the following federally mandated sanctions, the vendor will be disqualified for three years.

1. A pattern of charging WIC participants more than non-WIC customers or charging WIC participants more than the current shelf price.
2. A pattern of charging for items not received by the WIC participant or for foods provided in excess of those listed on the WIC food instrument .
3. A pattern of providing credit or nonfood items, except for alcohol, alcoholic beverages, or tobacco products, in exchange for WIC food instruments.
4. One incidence of allowing the purchase of alcohol, alcoholic beverages, or tobacco products with a WIC food instrument.
5. A pattern of receiving, transacting, or redeeming WIC food instrument outside authorized channels, including through unauthorized vendors or persons.
6. A pattern of claiming reimbursement for the sale of a quantity of a specific food item which exceeds the store's documented inventory of that food item for a specified period of time.

Sanctions for Program Violations, Continued

**Six-year
disqualification**

With an administrative finding of the following federally mandated sanctions, the vendor will be disqualified for six years.

1. One incidence of buying or selling food instruments for cash (trafficking).
 2. One incidence of selling firearms, ammunition, explosives, or controlled substances (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)), in exchange for WIC food instrument.
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**Items resulting
in extended
disqualification
period**

The following items do not have a point value, but shall result in or extend a disqualification period:

1. For each month in which a vendor accepts WIC food instruments during a disqualification period, the disqualification period shall be extended by 30 days.
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**Permanent
disqualification**

The Department shall permanently disqualify a vendor convicted in a criminal court of law for trafficking in food instruments or selling firearms, ammunition, explosives, or controlled substances (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)) in exchange for food instruments. A vendor shall not be entitled to receive any compensation for revenues lost as a result of such violation. A vendor who is disqualified from participation in, or have a civil monetary penalty imposed by the Food Assistance (SNAP) shall be automatically suspended from the WIC Program.

**Automatic
disqualification**

Federal Food Assistance (SNAP) regulations require automatic disqualification from the Food Assistance Program (SNAP) for vendors suspended by the WIC Program for certain types of violations.

Confidentiality

The following vendor information may be released to vendors or vendor applicants in the event of a disqualification.

- Vendor name,
- Vendor address
- Length of the disqualification or amount of CMP, and
- Reason(s) for the disqualification

Note: Vendor information will not be released until the vendor has exhausted their right to appeal.

Sanctions for Program Violations, Continued

Conflict of interest

Vendor agreements will be terminated if the state WIC agency identifies a conflict of interest between the vendor and the state WIC agency or with the local WIC agencies. Vendors must inform all store associates that they are prohibited from using their position to influence a WIC participant's selection of a WIC vendor. Vendors must establish safeguards to prevent employees from using their positions for the purposes that are, or give the appearance of being, motivated by the desire for private gain for themselves or others with who they have a close personal relationship, business or other ties.

Notice of disqualification

A minimum of 15 days' notice is provided prior to all disqualifications, except for permanent disqualifications assessed under paragraph 73.19(2)"f" in Iowa Code which are effective on the date of receipt of the notice of administrative action. When the Department determines that an offense has occurred, a disqualification letter with supporting documentation is prepared for the WIC Director's signature and sent to the vendor. The disqualification letter identifies the specific offense that the vendor is charged with and the procedures for filing an appeal. Voluntarily withdrawal from the WIC agreement to avoid a sanction is not allowed.

The Department is responsible for issuing all violation and disqualification letters. Local WIC agencies are informed of all vendor correspondence regarding violations. In situations where participant violations are also involved, the local WIC agency is responsible for follow-up.

Civil and criminal prosecution

A vendor who commits fraud or abuse of the WIC program is liable to prosecution under applicable Federal, State or local laws. Those who have willfully misapplied, stolen or fraudulently obtained program funds will be subject to a fine not more than \$25,000 or imprisonment for not more than five years or both, if the value of the funds is \$100.00 or more. If the value is less than \$100.00, the penalties are a fine of not more than \$1,000.00 or imprisonment for not more than one year or both.

The above sanctions notwithstanding, the State of Iowa reserves the right to seek civil and criminal prosecution of WIC vendors for any and all instances of fraud or cases in which there exists evidence of a clear business practice to improperly obtain WIC funds, or other practices meeting the definition of fraud as defined in 7 CFR 246 of the Federal Code.

Civil Money Penalty (CMP)

CMP in lieu of disqualification

The Department shall impose a civil money penalty (CMP) in lieu of disqualification when it determines, in its sole discretion, and documents in accordance with federal regulations, that:

1. Disqualification of the vendor would result in inadequate participant access; or
 2. The vendor had, at the time of the violation, an effective policy and program in effect to prevent trafficking, and the ownership of the vendor was not aware of, did not approve of, and was not involved in the conduct of the violation.
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Calculating CMP

The amount of the civil money penalty shall not exceed \$11,000 for each violation. A plan for installment payment of CMP can be negotiated between the vendor and the Department. Failure to pay a CMP will result in disqualification as a WIC vendor for the length of the disqualification corresponding to the violation for which the CMP was assessed.

Note: The CMP is not an option when a vendor has had two or more previous sanctions that could have resulted in disqualification

Maximum CMP

When a vendor has been sanctioned previously for any of the violations that would incur a disqualification or civil money penalty, and receives a second sanction for any of these violations, the sanction for the second offense will be doubled, except that civil money penalties may not exceed \$49,000 for a single investigation. For third and subsequent violations, the sanction will again be doubled, and there is no option for civil money penalty in lieu of disqualification.

Federal Register

The Department shall use the civil money penalty formula in accordance with the Federal Register, Volume 64, Number 52, Thursday March 18, 1999, paragraph 246.12(l)(1)(x) to determine the CMP.

Administrative Appeals Procedure

Overview A vendor shall have a right to appeal when a WIC vendor application is denied, and for other adverse decisions made by the Department or local WIC agency that affect participation. However, expiration of a contract, suspension from the WIC Program based on Food Assistance (SNAP) disqualification, and the Department's determination regarding participant access are not subject to appeal. Vendor sanctions are applied in accord with a schedule of violations, as provided for in the Iowa Administrative Code. See Page 8 and following for more information about vendor sanctions.

Actions not subject to appeal The following actions are not subject to administrative review according to federal guidelines:

- Expiration of a contract,
- Validity and appropriateness of the state agency vendor selection and limiting criteria,
- Validity and appropriateness of the state agency peer group criteria,
- Validity and appropriateness of the state agency above 50-percent criteria,
- Validity and appropriateness of the state agency participant access criteria and the State Agency participant access determinations,
- State agency determination of whether or not a vendor had an effective policy and program in effect to prevent trafficking and that the ownership of the vendor was not aware of, did not approve of, and was not involved in the conduct of the violations,
- Denial of authorization if the state agency vendor authorization is subject to the procurement procedures applicable to the state agency,
- Disputes regarding food instrument payments and vendor claims, and
- Disqualification of a vendor as a result of disqualification from Food Assistance (SNAP).
- Determination by the State agency to include or exclude an infant formula, manufacturer, wholesaler, distributor, or retailer from the approved formula list required pursuant to 246.12(g)(11), and
- Determination by the State agency whether to notify a vendor in writing when an investigation reveals an initial violation to impose a sanction, pursuant to 256.12(1)(3).

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Administrative Appeals Procedure, Continued

Actions subject to appeal

The state WIC agency will provide an administrative review for the following actions:

- Denial of authorization if the basis of denial is a WIC vendor sanction or a Food Assistance (SNAP) withdrawal of authorization or the absence of a Food Assistance (SNAP) authorization,
- Denial of authorization because a retail store submitted its application outside the timeframes during which applications are being accepted and processed,
- Denial of authorization or termination of agreement for the *application* of peer group criteria determination,
- Denial of authorization or termination of agreement for the *application* of above-50-percent criteria determination,
- Termination of an agreement because of a change in ownership or location or cessation of business.
- Imposition of a fine or a civil money penalty in lieu of disqualification, including disqualification based on a Food Assistance (SNAP) disqualification.
- Termination of an agreement for cause,
- Disqualification,
- Denial based on vendor selection criteria for competitive price, minimum variety and quantity of authorized supplemental foods, business integrity, for a current Food Assistance (SNAP) disqualification, civil money penalty for hardship, or on a determination that the vendor is attempting to circumvent a sanction,
- Disqualification based on trafficking conviction,
- Disqualification or civil money penalty imposed in lieu of disqualification based on mandatory sanctions imposed by another WIC state agency, and
- Denial of authorization based on the state agency limiting criteria.

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Administrative Appeals Procedure, Continued

Process for fair hearing and appeals

The following table describes the steps in the administrative appeals process. Appeals shall be held pursuant to 641 IC 73.12.

Step	Action
1	Within 10 days from the date of the adverse action, the vendor must make a written request for administrative appeal to the Division Director, Division of Family and Community Health. The written request for hearing shall state the action being appealed.
2	Upon receipt of an appeal that meets contested case status, the appeal shall be forwarded to the Department of Inspections and Appeals. The administrative law judge shall set a date for the hearing as expeditiously as possible. Hearings may be conducted by telephone or in person in Des Moines at the Lucas State Office Building or other suitable location. If necessary, parties will be provided at least two opportunities to have the hearing rescheduled.
3	The party requesting the hearing is given the opportunity to: <ul style="list-style-type: none">• Examine the documents and case records that are relevant to support of the decision under appeal.• Present its case during the hearing• Confront and cross-examine adverse witnesses, and• Be represented by counsel at the party's own expense.
4	A written decision of the administrative law judge shall be issued, where possible, within 60 days from the date of the request for a hearing unless the parties agree to a longer period of time.
5	If either party to the appeal is dissatisfied with the hearing decision, they may appeal for a review by the Director of Public Health. This appeal must be made within 10 days after receipt of the contested decision.

Public records

All records of the appeals, hearing and the decision are available for public inspection.

Signing the WIC Vendor Agreement

Introduction A potential vendor must apply to the Iowa Department of Public Health - WIC Program as either a grocery vendor or a special purpose vendor. To be authorized to accept WIC food instruments, a vendor must have a signed agreement with the Iowa WIC Program. A vendor may begin to accept WIC food instruments only after the vendor and the Department have executed an agreement.

Agreement The WIC vendor agreement begins on the next page. The Department does not retain a separate copy of the first two pages for each vendor. The final page is the signature page. There are two copies of this page.

Signature pages The vendor must sign both of the signature pages, and return them to the Department. Once the local WIC agency or the Department verifies that the vendor meets all WIC requirements, one signature page will be returned to the vendor and the other will remain on file at the Department.

Vendor authorization Once the vendor has received the vendor copy of the signature page, the vendor is authorized to accept and redeem WIC food instruments for the contract period.

Agreement renewal Agreements must be renewed every three years. The Iowa WIC Program does not limit the number of vendors who may participate in a clinic service area. Vendors must conform to and continue to comply throughout the agreement period with the provisions from the Iowa Administrative Code described in the Grocery Application and Guidance in order to qualify.

Exclusion from confidential information The vendor name, address, telephone number, Website, email address, authorization status and store type may be released to assist WIC participants in locating the vendor.

IOWA WIC PROGRAM/VENDOR AGREEMENT

This **AGREEMENT** is entered into for the period of October 1, 2015 - September 30, 2018.

The DEPARTMENT hereby enters into an agreement with the designated retail outlet (referred to as the VENDOR) to provide supplemental food to WIC PROGRAM participants. This agreement shall become final upon signature by the VENDOR and the DEPARTMENT. This agreement does not constitute a license or a property interest.

THEREFORE, it is mutually agreed between the VENDOR and the DEPARTMENT that:

I. The VENDOR agrees to perform the following:

- a. To collect no tax on WIC transactions.
- b. To stock the varieties and quantities of WIC Foods as described under Inventory Requirements in the Vendor Application Guidance (pg.5). If the list of WIC approved foods changes during the agreement period, the revised list shall be incorporated into this book and become part of the agreement.
- c. To use shelf tags ONLY IF ALL WIC FOODS OF THE SAME TYPE have shelf tags and the DEPARTMENT approves the tags.
- d. To complete and return Price Assessment Report showing current retail prices for WIC foods within 10 days after receipt from the DEPARTMENT. Random PARS are completed as needed, however PARS are completed at least every six months.
- e. To provide supplemental foods to PROGRAM participants, parents or caretakers of infant or child participants, and proxies only upon receipt of an authorized, properly completed food instrument;
- f. To accept food instruments issued by the DEPARTMENT only for the designated food items and quantities on the eWIC card.
- g. To allow no substitutes, cash, credit, or exchanges except for exchanges of an identical authorized supplemental food item. An identical WIC authorized food item is defined as the exact brand, type, size, and UPC code (if available) of the original WIC authorized supplemental food item obtained and returned by the participant;
- h. To charge prices for the supplemental foods that are equal to or less than the current prices charged to customers other than PROGRAM participants. VENDOR must assure that the price affixed to the scanned UPC code in the point of sale device is not greater than the price displayed on the package, container, shelf or other signage in the store for the purchased item.

VENDOR is responsible for updating price changes in the point of sale device including, but not limited to changes due to sales or other promotions, to ensure compliance with the paragraph above.

- i. To charge overall prices for the supplemental foods that are within 5% of the average prices charged by all authorized VENDORS of the same size and type and within 15% for any single category of item;

- j. eWIC: To request the participant to enter their PIN when completing a WIC transaction and ensure that the entry of the participant's PIN can be done in a manner that protects the security of the PIN. The VENDOR shall not request the participant's PIN or enter the participant's PIN;
- k. To ensure that no cash or credit is given to participant for the difference between actual cost and maximum value of food instruments;
- l. To ensure that no cash or credit is given to participant for the difference between actual cost and maximum value of food instruments;
- m. To assume responsibility for food instruments cashed for over maximum amount;
- n. To make or allow no alterations to the items on the face of the eWIC receipt.
- o. To treat WIC PROGRAM participants, parents or caretakers of infant of child participants, and proxies in the same manner as all other customers;
- p. To reimburse the DEPARTMENT for any overcharges of food instruments or for food instruments improperly redeemed;
- q. To adhere to the guidelines contained in the Vendor Instruction Book, the Vendor Guidance and Application;
- r. To accept and complete training in PROGRAM Regulations, ensure that all employees are trained in proper handling of WIC transactions, and assume responsibility for actions of employees conducting WIC transactions;
- s. To purchase infant formula from listed sources maintained by the state WIC program;
- t. To provide documentation upon request that no more than 50 percent of the vendor's annual revenue from the sale of food items is obtained with WIC food instruments;
- u. To adhere to selection criteria as stated in the Grocery and Special Purpose Application Guidance;
- v. To maintain a certified automated in store system to accept and process eWIC benefits using either stand-beside or integrated solutions that perform online eWIC transactions in accordance with the published rules, policies, specifications, procedures, WIC EBT Operating Rules, and WIC EBT Technical Implementation Guide (TIG);
- w. To update software as required by changes to the WIC EBT Operating Rules and TIG.
- x. To accept liability for any redemption of WIC benefits when an approval has not been received from the First Party or for the incorrect redemption of WIC benefits;
- y. To ensure that the most current Approved Product List (APL) is downloaded daily in the store system and is being used for WIC redemption processing;

- z. Stand Beside Systems: To notify, per the lease agreement with FIS, of any equipment failure or malfunction of the eWIC standbeside point of sale device;
 - aa. To agree to bear the expense of repairing damage to the stand-beside point of sale device, unless such damage is caused by stand-beside equipment malfunction which did not result from the VENDOR'S improper use of equipment or negligence on the part of the VENDOR.
 - bb. To provide the participant with a customer receipt (eWIC Receipt) of the transaction which minimally shows the redeemed WIC approved food items and the remaining balance of available benefits.
 - cc. To not charge the participant any fee, either directly or indirectly, arising out of or associated with operating, maintaining or processing eWIC Program transactions.
- II. In consideration of this agreement and performance of the specified duties by the VENDOR, the DEPARTMENT shall:
- a. Immediately reimburse the VENDOR for all food instruments presented for payment through normal banking procedures and within the conditions specified in Section I above;
 - b. Monitor the VENDOR through a review of redeemed food instruments and possible on-site visits;
 - c. Provide guidance and training as requested by the VENDOR;
 - d. Notify the VENDOR of any changes in the WIC approved foods 30 days prior to the date these changes would be effective; and
 - e. Provide guidance to the VENDOR concerning changes in the authorized supplemental foods, applicable USDA guidelines and instruction.

III. General Conditions - October 1, 2012 - September 30, 2015

- a. All policies and information contained in the WIC Vendor Application and Vendor Instruction booklet are herein made part of this agreement. In the event of any inconsistencies or conflicts between the Application, Instruction booklet, and the Agreement the inconsistency and conflict shall be resolved by first giving preference to the Agreement, Instruction booklet, and then the Application.
- b. Each party shall have the right to terminate this agreement giving at least 30 days written notice to the other. Neither party has an obligation to renew this agreement when it expires. This agreement will be immediately terminated if it is found that the applicant furnished the state with fraudulent information.
- c. This agreement becomes null and void if the VENDOR ceases operation or if the ownership changes. The VENDOR shall notify the DEPARTMENT of any change in operation, location, or ownership.
- d. This agreement becomes null and void if a conflict of interest exists between the VENDOR and the PROGRAM.
- e. VENDORS who commit fraud or abuse of the PROGRAM are liable to prosecution under applicable federal, state, or local laws.
- f. The DEPARTMENT shall provide the VENDOR written notice of detected violations of PROGRAM Regulations. Violations, fraud or abuse as specified in IAC Chapter 73.19(2) and on pages 5 through 15 of this agreement shall be considered just cause for suspension of the Agreement for a minimum of one year. VENDORS who are disqualified from participation in, or have a civil monetary penalty imposed by the Supplemental Nutrition Assistance Program (SNAP) shall be automatically suspended from the WIC PROGRAM. The suspension period shall be for the same length of time as the Supplemental Nutrition Assistance Program disqualification, may begin at a later date than the Supplemental Nutrition Assistance Program disqualification, and shall not be subject to administrative or judicial review under the WIC Program.
- g. Certain disqualifications from the WIC PROGRAM will result in disqualification from the Supplemental Nutrition Assistance Program.
- h. Upon request, the VENDOR shall allow DEPARTMENT staff to examine retail sales records, redeemed WIC food instruments, shelf price records on hand, physical inventory and invoices for WIC-approved foods for three years.
- i. In the event that a food instrument is rejected for payment by a bank, the VENDOR agrees not to seek recourse from the participant. The LOCAL WIC AGENCY will not release the name, address or telephone number of participants to VENDORS.
- j. The VENDOR who has been suspended from participation has the right to appeal to the DEPARTMENT, except that suspension because of Supplemental Nutrition Assistance Program disqualification cannot be appealed.
- k. The VENDOR hereby agrees to comply and state that it is in compliance with Title VI of the Civil Rights Act of 1964, and all requirements imposed by or pursuant to the USDA FNS Instruction 113-2, Departmental regulations, 7CFR parts 15, 15a and 15b and the Iowa Civil Rights Act of 1965 as amended, Chapter 216, Code of Iowa.
- l. All parties hereby agree to comply with the USDA WIC REGULATIONS (7 CFR 246), Departmental regulations, and Iowa Administrative Code 641 Chapter 73. In the event

that amendments to either of these affect the terms of this agreement, the DEPARTMENT shall notify the VENDOR 30 days prior to the effective date of these amendments. The VENDOR shall comply with these changes or have the right to terminate this agreement as specified above.

- m. The VENDOR and its successors and assignees agree to defend, indemnify and hold the DEPARTMENT, any Consultant/Consultant Affiliate, and the State of Iowa harmless from any and all liabilities, damages, settlements, judgments, cost and expenses (including reasonable attorney fees of the Attorney General's Office, and the costs and expenses and attorney fees of other counsel required to defend the DEPARTMENT, any Consultant/Consultant Affiliate, or the State of Iowa) related to or arising from any of the following:
1. Any violation of this contract
 2. Any negligent acts or omissions of the VENDOR, its officers, employees, agents, board members, contractors or subcontractors, or any other person in connection with this project.
 3. Claims for infringement of patents, trademarks, trade dress, trade secrets, or copyrights arising from the work of the project.
 4. The VENDOR'S performance or attempted performance of this contract.
 5. Any failure by the VENDOR to comply with all federal, state, and local laws and regulations.
 6. Any failure by the VENDOR to make all reports, payments, and withholdings required by federal and state law with respect to social security, employ income, and other taxes, fees, or costs required by the VENDOR to conduct business in the State of Iowa.
 7. The death, bodily injury or damage to property of any enrollee, agent, employee, business invitee or business visitor of the VENDOR or any of its subcontractors.
- n. The VENDOR shall at all times be deemed an independent contractor and not an employee of the State of Iowa. The VENDOR shall be responsible for all its withholding taxes, social security, unemployment, worker's compensation and other taxes and shall hold the DEPARTMENT harmless for any claims for the same.

STORE REPRESENTATIVE _____
(Signature/title/date)

STORE NAME AND CITY _____
(Print Store Name and City)

PRINTED NAME OF STORE REPRESENTATIVE _____

DEPARTMENT OF PUBLIC HEALTH REPRESENTATIVE _____
(Signature/title/date)

PRINTED NAME OF DEPARTMENT REPRESENTATIVE _____



Iowa WIC Program Vendor Agreement

October 1, 2015 – September 30, 2018

Iowa Department of Public Health
Bureau of Nutrition & Health Promotion
321 East 12th Street
Des Moines, Iowa 50319-0075
515.281.4919



Promoting and Protecting the Health of Iowans

File copy or original signature page.

VENDOR REPRESENTATIVE _____
(Signature/title/date)

STORE NAME AND CITY _____
(Print store name and city)

PRINTED NAME OF VENDOR REPRESENTATIVE _____

DEPARTMENT OF PUBLIC HEALTH REPRESENTATIVE _____
(Signature/title/date)

PRINTED NAME OF DEPARTMENT REPRESENTATIVE _____